Recommendations from the Tricker and Clothier reports

Darrin Baines MSc, PhD

In our series on the history of prescribing policy, Dr Darrin Baines traces how successive governments have attempted to curb drug costs. Here, he describes the evolution of the *BNF* and the recommendations made by the Tricker and Clothier reports.

KEY EVENTS

- 1975 *BNF* suspended – 1976 edition of the publication did not appear and production was suspended for five years
- 1975 Prescription exemptions extended – Labour government included free contraceptive services
- 1975 Dispensing doctors fees changed – fee-for-service system for dispensing doctors was altered to reflect chemist contractor system
- 1975 Clothier Committee established – a joint committee to find a permanent solution to disputes over rural dispensing
- 1976 Tricker report initiated – fundamental inquiry into functions, constitution and organisation of the PPA

Although they had permitted an almost unrestrained growth in prescribing volumes and expenditures, the systems for prescribing and dispensing drugs were not altered during the 1974 reorganisation of the NHS.[1] The adoption of Lloyd George's proposals for compulsory separation of doctors and pharmacists, with exemptions for isolated doctors, had unexpected consequences for the NHS.

The chosen prescribing and dispensing systems contained few mechanisms for controlling drug quality and costs, with the consequence that medicines cost control was a persistent problem for successive governments.

By the mid-1970s, the limitations of the NHS structure for pharmaceutical services were becoming increasingly obvious. Instead of addressing these shortcomings, Harold Wilson, who had been invited to form a minority government following the general election in February 1974, extended prescription charge exemptions to include children up to 16 years of age and women aged 60 and over.

This move did not address the problems of the prescribing and dispensing systems and were more likely to increase, rather than reduce, costs.

The *BNF*

Following the extension in the number of patients eligible for exemptions, the prime minister had little time to introduce any major, new pharmaceutical policies before being forced to call a general election in October 1974, at which his party failed to win an overall majority.

Four days before the October 1974 elections, the *BMJ* held a conference in Winchester to consider future alternatives for the NHS.[2] During the conference a medical registrar, Dr Noel Olsen, proposed that general practitioners should be asked to 'voluntarily limit their prescribing to drugs recommended in the *British National Formulary* (*BNF*) and that sanctions be more vigorously applied to restrain those who, in the view of their colleagues, regularly over prescribe'.

Given the sustained growth in prescribing volumes and costs, Dr Olsen warned that, if such an initiative was not organised inside of the profession, 'more stringent restrictions may eventually be imposed from outside'.

The *BNF* was first introduced in 1949 and was based on the National War Formulary.[3] The formulary was produced under the auspices of the BMA and the Pharmaceutical Society of

Great Britain and was initially compiled by a committee of 38 doctors and pharmacists.

Given the delays associated with determining the formulary's contents via committee, the publication was only updated every three years. Its material was therefore often out of date, and by the early 1970s use of the *BNF* was in decline.

In consequence, the Medicines Commission approached the DHSS in 1975 regarding a revision of the publication's format, contents and approach. As a result, the planned 1976 edition of the publication did not appear and its production was suspended for five years.

With problems at the Prescription Pricing Authority (PPA) and the *BNF*, general practitioners were provided with little official information during the mid-1970s on their prescribing behaviour or on prices, quality and recommended quantities. In consequence, the rationality of their prescribing was often limited, suggesting that substantial improvements could be made.

However, with such limited information family doctors could not always be relied upon to voluntarily improve their prescribing patterns or costs. Moreover, without the necessary data, incentive schemes and/or prescribing budgets could not be used to motivate prescribers to control their spending on drugs.

In consequence, the patient and the pharmaceutical industry remained the main sources from which the government expected pharmaceutical savings to be made.

In February 1975, Margaret Thatcher replaced Edward Heath as leader of the Conservative Party. Two months later James Callaghan replaced Harold Wilson as the Labour leader. Following public pressure, the Labour government extended prescription charge exemptions in July 1975 to include free contraceptive services.

In the same month, the fee-for-service system for dispensing doctors was also altered to reflect changes in the ways in which chemist contractors were paid.[4]

In December 1975, a joint committee of the medical and pharmaceutical professions was established, under the chairmanship of Mr CM Clothier, to find a permanent solution to the disputes between doctors and pharmacists over rural dispensing.

The establishment of the committee was accompanied by a temporary moratorium during which rural practices were asked not to dispense in areas previously covered by a pharmacy, and pharmacists were requested not to undertake work previously done by doctors.

The Tricker Report

Given the continuing problems experienced by the PPA, in April 1976 the Director of the Oxford Centre for Management Studies, Mr RI Tricker, was invited by the DHSS to undertake a fundamental inquiry into its functions, constitution and organisation.

In particular, he was asked to investigate the reasons for delays in reimbursing pharmacists and dispensing doctors and to appraise the PPA's potential as a source of prescribing information.

In March 1977, Mr Tricker reported that the PPA processed the bulk of prescription forms manually and that computerisation could help improve the processing of dispensing claims and extend the range and regularity of prescribing information that the authority provided to the DHSS, FPCs and general practitioners.[5]

Eleven months after its publication, the Secretary of State for Social Services, Mr Ennals, agreed that the PPA should be reconstituted broadly on the lines recommended by the Tricker Report, with a new constitution and increased representation for general practitioners and pharmacists .

Although he was asked to examine the authority's functions, constitution and organisation, Mr Tricker argued that it was 'impossible to consider the PPA out of its overall NHS context'. In consequence, Chapter 10 of the Tricker Report examined the potential costs and benefits of:

- limiting the range of prescribable drugs and quantities supplied on each prescription form
- introducing pharmaceutical expenditure budgets at an FPC, Area Health Authority or practitioner level
- strengthening the disciplinary control over prescribers
- transferring the pricing and accounting functions of the PPA to pharmacists.

Following an examination of the pertinent issues, he concluded that: 'There is a need to change the climate of opinion and to see the provision of pharmaceutical services as an integrated whole. The weakness in its ability to allocate and regulate drug expenditure against any reasonable criteria – apart from expecting unfettered freedom to produce and prescribe drugs with the NHS meeting the bill – has to be faced.'

Although he was against a policing role for the PPA, Mr Tricker argued that regulation was required somewhere within the system. However, given that his instructions were to examine the functions, constitution and organisation of the pricing authority, he suggested that it was beyond his remit to 'recommend the specific regulatory mechanisms that would be appropriate'.

The Clothier recommendations

A month after the publication of the Tricker Report, the Clothier Committee wrote to the General Medical Services Committee (GMSC) stating that it had 'reached a preliminary measure of agreement about the broad outlines of proposals which could offer a constructive and sensible alternative to the sometimes sudden and inequitable effects of the unregulated changes in rural dispensing services which take place under the present statutory provisions'.[6]

Following an extension of the dispensing moratorium until April 1978, the Clothier Committee published its final report in December 1977.[7] Among its main recommendations, the document suggested that:

- FPC subcommittees and a national statutory body should be established to regulate significant changes in dispensing arrangements
- the DHSS should consider compensating

directly affected doctors or pharmacists where it would facilitate a beneficial change in rural dispensing
• all affected parties should have a right of appeal to the Secretary of State
• the professions should consider the possibility of payments between doctors and pharmacists for the approved, voluntary transfer of a dispensing business from one to the other.

In response to its contents, the GMSC stated that the Clothier Report 'represents a compromise which could mean a diminution in patients' freedom of choice and the doctor's freedom to dispense'.[8] In consequence, the GMSC delayed its endorsement of the report, a response that suggested that dispensing by doctors would not easily be limited in rural areas.

References

1. Klein R. *The new politics of the NHS*. Harlow: Longman Group, 1995.
2. Anon. New alternatives in the NHS. *BMJ* 1974;272.
3. Wade OL. *British National Formulary*: its birth, death, and re-birth. *BMJ* 1993; 306:1051–4.
4. Anon. Dispensing doctors remuneration changed. *Pharm J* 1975;125.
5. Tricker RI. *Report of the inquiry into the Prescription Pricing Authority*. London: HMSO, 1997.
6. Anon. Rural dispensing in England and Wales: Recommendations of the Clothier Committee. *BMJ* 1977;1559–60.
7. Clothier CM. *Report of the National Joint Committee of the medical and pharmaceutical professions on the dispensing of NHS prescriptions in rural areas*. London: DHSS, 1997.
8. Anon. GMSC accepts Clothier Recommendations. *BMJ* 1978;869.

Darrin Baines is associate professor, Faculty of Medicine and Health Sciences, University of Nottingham

The next article in the series will look at the Royal Commission into the NHS chaired by Alec Merrison, and the Greenfield Committee report on effective prescribing in general practice.